March 2012

Regional Economic IndicatorsMa

Central Region

Government of Alberta

CENTRAL REGION

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The Region at a Glance

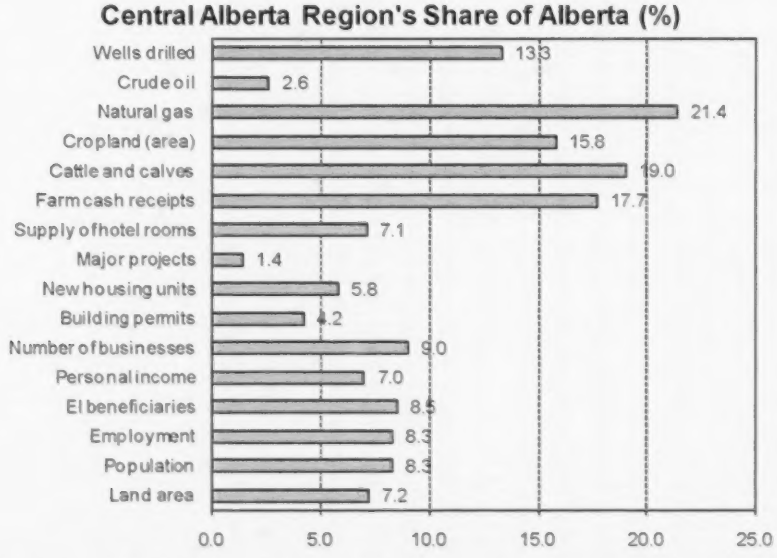
The Central Alberta region covers an area of 45,961 square kilometers, slightly larger in size than the Netherlands. The region accounts for 7.2% of Alberta's land mass and for 8.3% of Alberta's population.

According to Statistics Canada's latest estimates, the region's population totaled 308,400 in 2010, an increase of 7.9% from 2006. According to the Labour Force Survey, the region's unemployment rate was 6.3% in 2010, down from 6.7% in 2009, and over 175,000 people were employed.

The region's largest industries on an employment basis are retail trade, oil and gas, agriculture, healthcare and social assistance and construction, each employing more than 15,000 workers. The fastest growing industry between Census years 2001 and 2006 was the oil and gas sector, which increased its employment by more than 75%. Employment in the agricultural sector, which has been on a long and steady decline in the province, fell by 13% between the two Census years. The region also has a large manufacturing base, which is concentrated in the chemicals sector, and the region accounts for about 10% of Alberta's manufacturing shipments.

Central Alberta is one of Alberta's top two agricultural regions, accounting for more than 15% of the province's farm cash receipts, cropland and livestock in Census year 2006, and is the top-ranked region for employment in this sector, accounting for 19% of Alberta employment in the agricultural sector. It is also the province's second largest natural gas producer, the number four region for drilling activity, and the number three region for employment in the oil and gas sector, accounting for 13% of Alberta's oil and gas employment.

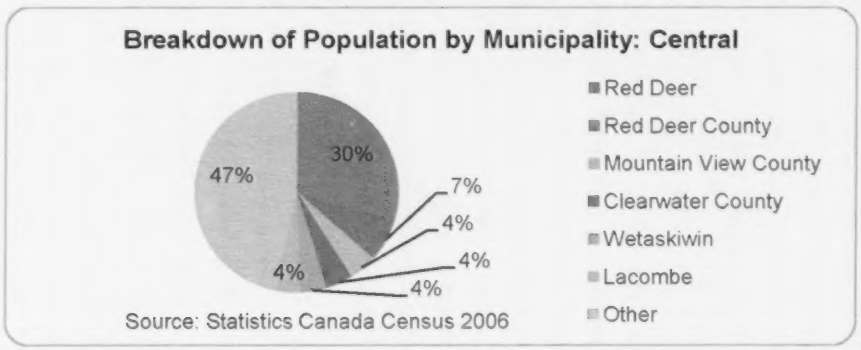
According to personal income taxfiler data the average individual income was $34,500 in 2007, a large 42% increase from 2003. Average income for couples was $104,000 in 2007, a 46% rise from 2003.



Although very few current indicators are available on a regional basis, it is clear that the impacts of the global economic crisis have also subsided in this region; for instance the number of Employment Insurance beneficiaries receiving regular benefits in Central Alberta fell by 15% between 2009 and 2010. Moreover, the number declined sharply by 37% between June 2010 and June 2011.

Major Municipalities

The largest municipality in the Central Region, according to the 2006 Statistics Canada Census, was the City of Red Deer with a population of 82,772[1]. More recently, the municipal census of 2010 showed 90,084 residents in Red Deer, an 8.6% increase from the 2006 municipal census number[2]. According to the 2006 federal census, the municipality in the Central Region with the highest population growth between 2001 and 2006 was the Town of Sylvan Lake. Sylvan Lake experienced an increase of 36.1% or 2,705 residents between 2001 and 2006. High growth was also seen in the municipal census of 2008 that showed 11,115 individuals in Sylvan Lake, a 30.7% increase from the previous municipal census of 2004.



Economic Indicators: Central Region

Major Municipalities *	Status	2006 Population	2001 Population	5 Year % Change	1996 Population	10 Year % Change
Red Deer	City	82,772	67,829	22.0%	60,075	37.8%
Red Deer County	Municipal District	19,108	18,492	3.3%	17,126	11.6%
Mountain View County	Municipal District	12,391	12,124	2.2%	11,277	9.9%
Clearwater County	Municipal District	11,826	11,505	2.8%	10,911	5.4%
Wetaskiwin	City	11,673	11,154	4.7%	10,959	6.5%
Lacombe	Town	10,742	9,384	14.5%	8,018	34.0%
Wetaskiwin County	Municipal District	10,535	10,695	-1.5%	10,467	0.6%
Lacombe County	Municipal District	10,451	10,572	-1.1%	10,081	3.7%
Sylvan Lake	Town	10,208	7,503	36.1%	5,184	96.9%
Ponoka County	Municipal District	8,640	8,791	-1.7%	8,313	3.9%

Source: Statistics Canada, Census 1996, 2001, 2006

* Top 10 cities, towns, villages and municipal districts in region, based on population in latest census year.

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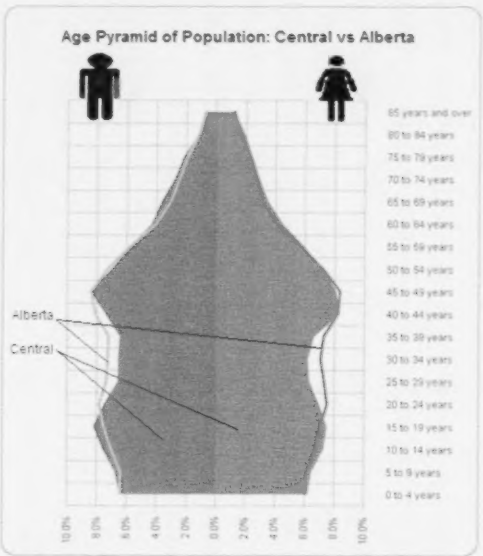
[1] Note: the Census under-estimates the overall population totals for any region or municipality as some people are not counted. The reasons for this under-coverage can range from some households not receiving a census questionnaire to individuals not being included in the questionnaire completed for a household.

[2] Numerical differences between the federal and municipal censuses may be ascribed to slight variations in the definition of "usual residence," as well as how "shadow populations" are treated. While municipalities define the "shadow population" as "temporary residents of a municipality who are employed by an industrial or commercial establishment in the municipality for a minimum of 30 days" and include them in their official population numbers if they consist at least 10% of the municipality's population or a minimum of 1,000 individuals, the shadow population of transient workers is not accounted for in population counts conducted by Statistics Canada.

Demographics

According to the most recent Statistics Canada Census, the population of the Central Region was 45,961 in 2006 or 7.2% of Alberta's total population. This was an 11.0% increase from the Census estimate of 2001 and a 21.2% increase from the 1996 Census estimate. The Census indicates that, on average, the Central region's population is somewhat younger than the provincial average. This may prove to be a challenge for the smaller cohort in the current prime working age group, as they are increasingly required to sustain the larger cohort of the retiring age group through higher productivity levels.



Economic Indicators: Central Region			
	2006	**2001**	**1996**
Census Population[3]	278,990	251,262	230,175
% of Provincial Total	8.5%	8.4%	8.5%
Population Components	**2006**	**2001**	**1996**
Age Group: 0 - 14 (%)	20.2	23.9	21.9
Age Group: 14 – 24 (%)	15.1	14.4	N/A
Age Group: 25 – 44 (%)	27.3	29.5	N/A
Age Group: 45 – 64 (%)	25.8	22.5	N/A
Age Group: 65+ (%)	12.2	11.7	11.8
Dependency Ratio [4]	47.7	55.2	51.4
Old Age Dependency Ratio [5]	18.0	18.1	18.0
Source: Statistics Canada, Census 1996, 2001, 2006			

[3] See below paragraph about the under-coverage problems of Census population estimates

[4] Dependency Ratio: The percentage of the population below the age of 15(Child) and over the age of 64 (Elderly) divided by the number of adults (15-64). This is the population of children and elderly that are dependent on the adult population for economic needs.

[5] Age Dependency Ratio: The percentage of the population over the age of 64 (Elderly) divided by the number of adults (15-64). This is the population that is dependent on the adult population for economic needs.

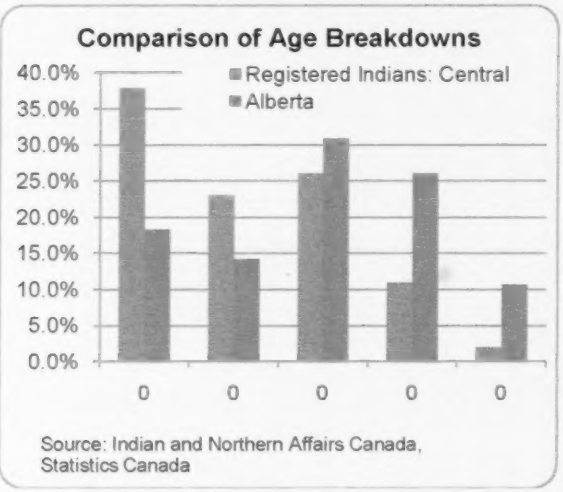
Although the Census provides the most detailed and accurate information at a single point in time on the demographic, social and economic conditions of the population, the Census under-estimates the overall population totals for any region as some people are not counted. The reasons for this under-coverage can range from some households not receiving a census questionnaire to individuals not being included in the questionnaire completed for a household. Therefore, the below presented post-censal estimates should be used as the official population estimates for the region.

Population Estimates – Central Region					
	2010	**2009**	**2008**	**2007**	**2006**
Total Population (Thousands)	308.4	304.7	299.1	293.6	285.9
Share of Provincial Total (%)	8.3%	8.3%	8.3%	8.4%	8.4%
Source: Statistics Canada – estimates as of July 1 of each year					

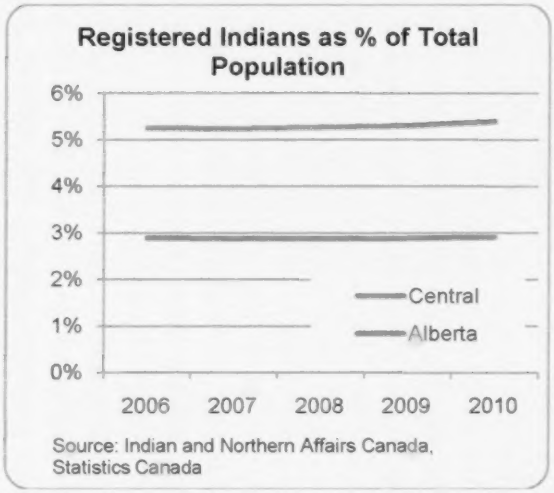
According to the post-censal estimates, the region's population increased by 22,500 or 7.9% between 2006 and 2010, compared with 8.8% growth at the provincial level. The region's share of Alberta's population was stable at 8.3% in 2010.

Aboriginal Population

In 2010, bands in the Central Region had a population of 16,632 Registered Indians, 77.9% of whom lived on reserve and crown land. [6] This represents a 14.5% increase in registered population over five years. Registered Indians comprised 5.4% of the Central Region's total population in 2010, compared with 2.9% for the province as a whole. Registered Indians in the Central Region are significantly younger than the average Albertan; 38% are under the age of 15 (versus 18% of the provincial population).



Source: Indian and Northern Affairs Canada, Statistics Canada



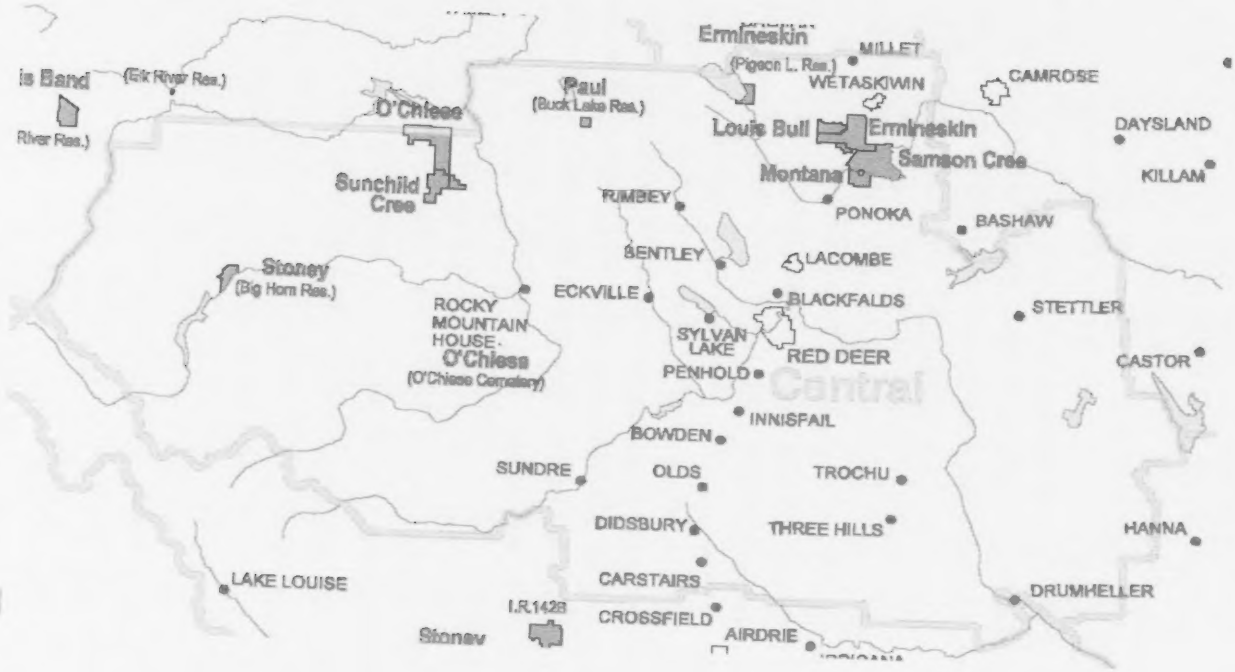
Source: Indian and Northern Affairs Canada, Statistics Canada

Registered Indian Population, by Type of Residence and Group: Central Region

Group	Residence Type	2010	2009	2008	20007	2006	2005	1-Year Change	5-Year Change
Registered Indian	**Total**	**16,632**	**16,161**	**15,785**	**15,398**	**15,021**	**14,521**	**2.9%**	**14.5%**
	Reserve & Crown Land	12,959	12,667	12,474	12,228	11,984	11,677	2.3%	11.0%
	Off Reserve	3,673	3,494	3,311	3,170	3,037	2,844	5.1%	29.1%
Enoch	Total	4,011	3,891	3,802	3,680	3,593	3,492	3.1%	14.9%
	Reserve & Crown Land	3,148	3,069	3,008	2,930	2,876	2,805	2.6%	12.2%
	Off Reserve	863	822	794	750	717	687	5.0%	25.6%
Louis Bull	Total	1,989	1,948	1,884	1,865	1,799	1,754	2.1%	13.4%
	Reserve & Crown Land	1,635	1,608	1,568	1,558	1,507	1,470	1.7%	11.2%
	Off Reserve	354	340	316	307	292	284	4.1%	24.6%
Montana	Total	939	910	892	885	873	850	3.2%	10.5%
	Reserve & Crown Land	731	711	699	697	685	658	2.8%	11.1%
	Off Reserve	208	199	193	188	188	192	4.5%	8.3%
O'Chiese	Total	1,104	1,052	999	948	921	832	4.9%	32.7%
	Reserve & Crown Land	761	739	715	679	665	611	3.0%	24.5%
	Off Reserve	343	313	284	269	256	221	9.6%	55.2%
Samson Cree	Total	7,343	7,134	6,992	6,826	6,677	6,478	2.9%	13.4%
	Reserve & Crown Land	5,838	5,709	5,659	5,557	5,476	5,377	2.3%	8.6%
	Off Reserve	1,505	1,425	1,333	1,269	1,201	1,101	5.6%	36.7%
Sunchild Cree	Total	1,246	1,226	1,216	1,194	1,158	1,115	1.6%	11.7%
	Reserve & Crown Land	846	831	825	807	775	756	1.8%	11.9%
	Off Reserve	400	395	391	387	383	359	1.3%	11.4%

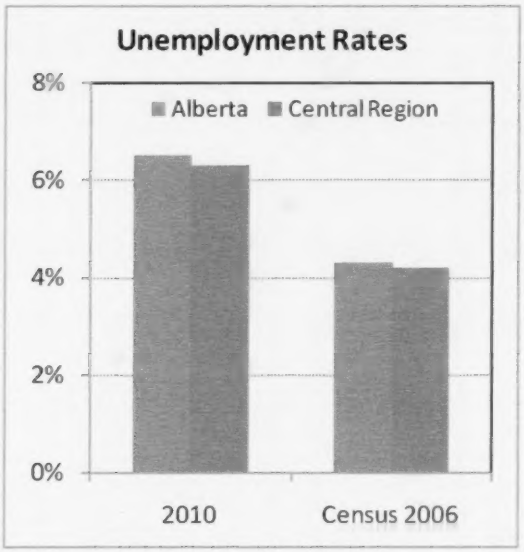
Source: Indian And Northern Affairs Canada, Alberta Municipal Affairs

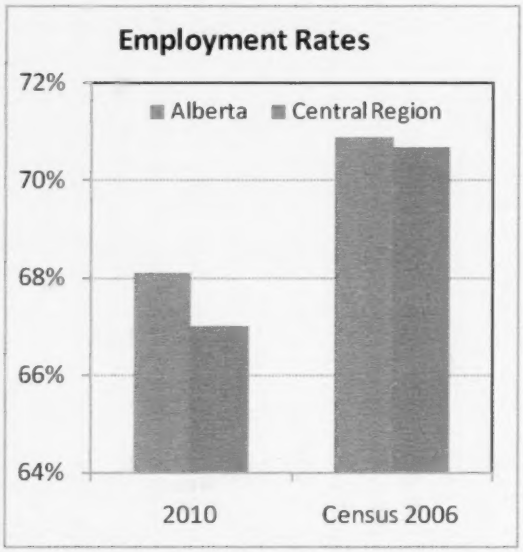
[6] **Registered (Status) or Treaty Indians:** According to Statistics Canada Registered Indians (also referred to as "status Indians") refer to those persons registered under the *Indian Act* while Treaty Indian refer to people who are registered under the *Indian Act* and who belong to an Indian Band or First Nation that signed a treaty with the Crown. Registered/Treaty Indians may be classified as on or off reserve indicating their place of residence.


Ermineskin
(Pigeon L. Res.)
MILLET
WETASKIWIN
CAMROSE
DAYSLAND
KILLAM
Louis Bull
Ermineskin
Samson Cree
Montana
Paul
(Buck Lake Res.)
O'Chiese
Sunchild Cree
RIMBEY
PONOKA
BASHAW
BENTLEY
LACOMBE
Stoney
(Big Horn Res.)
ECKVILLE
BLACKFALDS
STETTLER
ROCKY MOUNTAIN HOUSE
O'Chiese
(O'Chiese Cemetery)
SYLVAN LAKE
RED DEER
CASTOR
PENHOLD
Central
INNISFAIL
BOWDEN
SUNDRE
OLDS
TROCHU
DIDSBURY
THREE HILLS
HANNA
LAKE LOUISE
CARSTAIRS
DRUMHELLER
I.R.142B
CROSSFIELD
Stoney
AIRDRIE

Labour Force Characteristics

According to Statistics Canada's Labour Force Survey (LFS), the Central Region's employment rate[7] for the working age population of 15 years and older was 67.0% in 2010 and the participation rate[8] was 71.5%. By comparison, Alberta's employment and participation rates were slightly higher at 68.1% and 72.9%, respectively. The region's unemployment rate fell to an estimated 6.3% in 2010, down from 6.7% in 2009. This rate is comparable to the provincial average of 6.5% for 2010.





Labour Force Characteristics – Central Region					
	2006	**2007**	**2008**	**2009**	**2010**
Participation Rate: 15 years and older (%)	73.4	75.3	74.6	73.0	71.5
Unemployment Rate: 15 years and older (%)	3.6	3.2	3.9	6.7	6.3
Employment Rate: 15 years and older (%)	70.7	72.9	71.7	68.1	67.0

Source: Statistics Canada, Labour Force Survey

Statistics Canada cautions the reader that the regional Labour Force Survey estimates may be subject to large year-to-year fluctuations, especially for the smaller regions, due to sample size problems and there not being any population control totals for non-standard geographies such as this region.

Timely labour force estimates from the Labour Force Survey (LFS) are generally not reliable for small areas such as this region[9]. Statistics Canada therefore suggests to only use the rates, such as unemployment rate and participation rate, from the LFS rather than the levels, such as

[7] The employment rate measures the proportion of the adult population that is employed. Employment Rate = (Employed / Population 15+)*100. High labour utilization traditionally accompanies strong economic activity.

[8] The participation rate measures the proportion of the adult population that is in the labour force. Participation Rate = (Labour Force / Population 15+)*100. High labour participation is an effective indicator of the level of engagement among the working age population and traditionally accompanies strong economic activity.

[9] Due to sample size problems and there not being any population control totals for non-standard geographies.

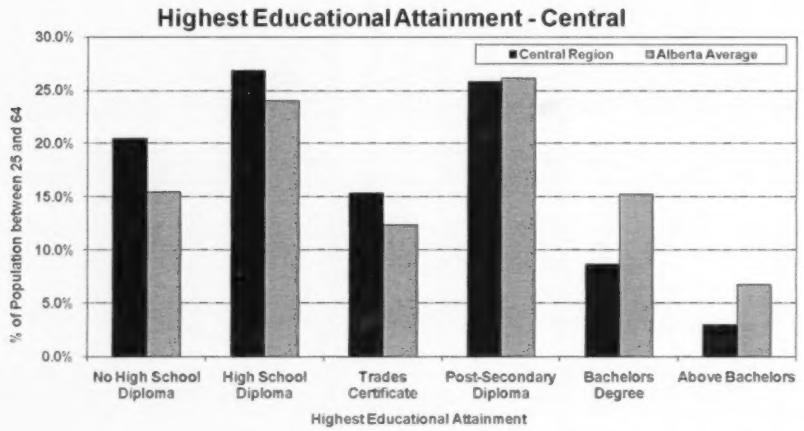
total employment and working age population. As a result, Census estimates are used for the following discussions on employment level estimates.

Between 2001 and 2006, the number of people employed in Alberta grew by 14.7% or by 239,800. Over the same period, employment in the Central Region grew by an estimated 22,800 or 17.3%. In 2006, the Central Region made up 8.2% of Alberta's working age population (15+ years), and the region's increase in employment between 2001 and 2006 accounted for 9.5% of all new jobs created in Alberta over that period.

Labour Force Characteristics - Central Region		
	2006	**2001**
Population: 15 years and older (Thousands)	218.6	191.9
Labour Force: 15 years and older (Thousands)	161.3	138.7
Employment: 15 years and older (Thousands)	154.5	131.7
Unemployment: 15 years and older (Thousands)	6.8	7.0
Participation Rate: 15 years and older (%)	73.8	72.3
Unemployment Rate: 15 years and older (%)	4.2	5.0
Employment Rate: 15 years and older (%)	70.7	68.7
Source: Statistics Canada Census, 2001 and 2006		

Statistics Canada cautions the reader that the regional Labour Force Survey estimates may be subject to large year-to-year fluctuations, especially for the smaller regions. Because of these data problems, census data for 2001 and 2006 were used for all indicators for the smaller regions such as the Central Region and data for these indicators for the other years are not included in the tables.

According to the 2006 census, the level of educational attainment is lower for this region than for Alberta. For the working aged population of between 25 and 64 years, 37.4% had a post-secondary degree or diploma, compared with 48.1% for all of Alberta. However, the region does have a larger share holding a trades certificate: 15.3% in the region vs. 12.4% in Alberta. 20.4% of the region's working age population did not finish high school, higher than the Alberta average of 15.4%.

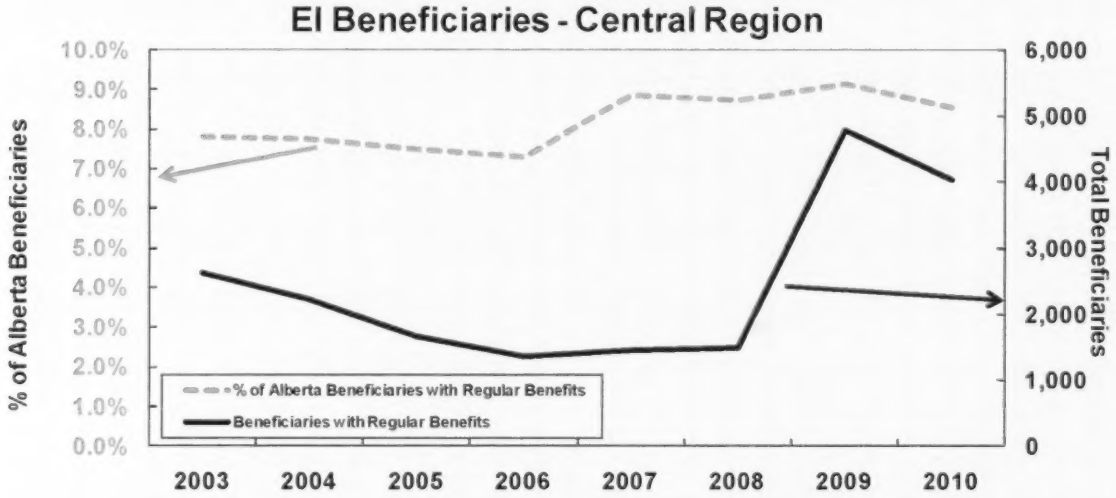


Employment Insurance Beneficiaries

In 2010, 4,040 people received regular Employment Insurance (EI) benefits[10] in the Central Region, a 15% decrease from the 2009 number of 4,780[11]. Over the same period, the number of EI recipients fell by 9% in Alberta. As a result, the region's share of Alberta EI recipients fell to 8.5%. The end of the recession is also reflected in current EI estimates. Between February 2010 and February 2011, the number of regular beneficiaries fell by an estimated 34% in the region.

The total number of income beneficiaries[12] with both regular and special benefits, such as for sickness or parental leave, declined by 13% between 2009 and 2010 as most of the decrease in income beneficiaries was the result of the decline in the number of regular beneficiaries, rather than those receiving special benefits.

Note: although this measure provides a useful gauge of unemployment it is an imperfect measure, as it excludes self-employed workers and individuals who were unemployed for more than 12 months. At the Canadian level, the EI beneficiaries-to-unemployed ratio was fairly stable over time prior to the recession at between 40% and 45%. In Alberta, the ratio fell gradually during the economic boom years from more than 40% in 1996 to less than 25% in 2007 and the first nine months of 2008. The ratio climbed to more than 40% in 2009 and was 36% in 2010.



EI Recipients: Central								
	2005	2006	2007	2008	2009	2010	1-Year Change	5-Year Change
Total Income Beneficiaries	3,840	3,660	4,020	4,020	7,740	6,720	-13%	75%
# of EI Beneficiaries with Regular Benefits	1,660	1,350	1,460	1,480	4,780	4,040	-15%	143%
% of Alberta Beneficiaries with Reg. Benefits	7.5%	7.3%	8.9%	8.7%	9.1%	8.5%	-0.6%	1.0%
Source: Statistics Canada, Human Resources and Skills Development Canada								

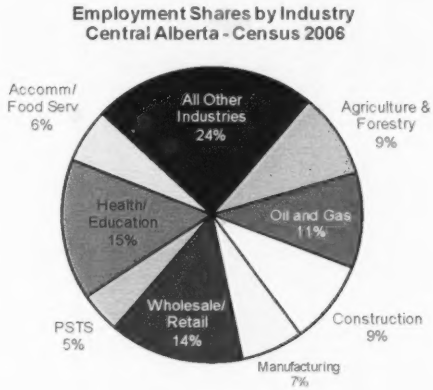
[10] The number of beneficiaries receiving regular benefits excludes claimants receiving training, job creation and self-employment benefits as well as other employment and support measures benefits.
[11] Canada's Economic Action Plan provides beneficiaries with five extra weeks of regular EI benefits in 2009 and 2010.
[12] The number of beneficiaries receiving total income benefits includes both the beneficiaries receiving regular benefits and those receiving special benefits, such as for training, job creation, sickness, parental.

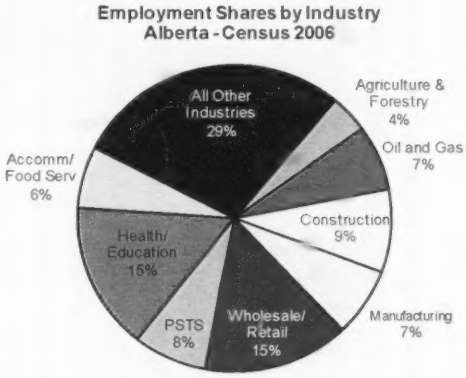
Employment by Industry

In 2006, according to Statistics Canada's census data, the services-producing sector in the Central Region accounted for about 63% of the total number employed. By comparison, the service sector accounted for 72% of Alberta's employment.

The Retail Trade industry had the largest number of individuals employed. This industry accounted for 11% of the region's employment, identical to the industry's 11% share at the provincial level. The region's next largest industries in 2006 were the Mining and Oil and Gas sector and the Healthcare and Social Assistance sectors, each accounting for about 10% of regional employment.

Between 2001 and 2006, the Mining and Oil and Gas industry had the largest employment gain (up 7,130), mainly because of a large increase in drilling activity. Large increases of between 2,000 and 3,000 jobs were also noted for the Construction and Healthcare and Social Assistance sectors. In the region's fourth largest industry, Agriculture and Forestry, employment decreased by about 2,000.





PSTS = professional, scientific and technical services

Although estimates from the Labour Force Survey are not very reliable[13] for the small regions, it is clear from the survey's results that the Healthcare and Social Assistance sector has seen strong employment growth between 2006 and 2010.

[13] Due to sample size problems and there not being any population control totals for non-standard geographies

Employment by Industry - Central Region		
	2006	**2001**
All Industries (Thousands) - Total	**154.5**	**131.7**
Goods-Producing Sector	**56.0**	**46.4**
Agriculture & Forestry	14.4	16.4
Mining & Oil & Gas	16.1	9.0
Utilities	1.0	0.6
Construction	14.1	11.3
Manufacturing	10.4	9.2
Services-Producing Sector	**98.5**	**85.3**
Wholesale Trade	5.6	5.1
Retail Trade	16.7	14.8
Transportation & Warehousing	6.4	5.6
Finance, Insurance, Real Estate & Leasing	4.0	3.1
Professional, Scientific & Technical Services	7.0	5.3
Business, Building & Other Support Services	4.8	3.8
Educational Services	8.5	8.1
Health Care & Social Assistance	15.3	12.9
Information, Culture & Recreation	1.6	1.7
Accommodation & Food Services	9.2	8.9
Other Services	8.9	7.0
Public Administration	5.8	4.8

Source: Statistics Canada, Census 2001 and 2006

Statistics Canada cautions the reader that the regional Labour Force Survey estimates may be subject to large year-to-year fluctuations, especially for the smaller regions. Because of these data problems, census data for 2001 and 2006 were used for all indicators for the smaller regions such as the Central Region and data for these indicators for the other years are not included in the tables.

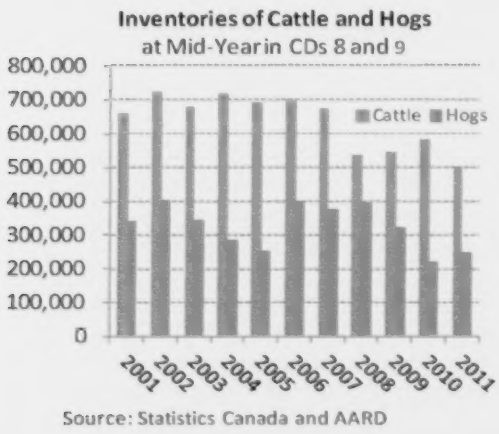
Agriculture

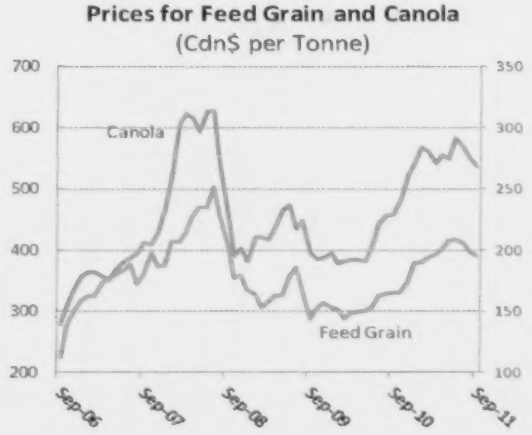
The Central Alberta region is one of Alberta's top two agricultural regions. It had total farm cash receipts of $1.75 billion in Census year 2006, accounting for 17.7% of Alberta's farm receipts. In that year, there were almost 10,500 farms in the region with a total acreage of 7.4 million acres or 14.2% of Alberta's total farm acreage. Average farm size was about 700 acres.

The region is the province's largest producer of cattle, hogs and poultry: it accounted for 19% of the total value of on-farm livestock and poultry with a total market value of $970 million in 2006. The total number of cattle and calves was 1.2 million. Central Alberta's share of Alberta's total number of cattle and calves was 19%, of hogs 29.2%, and of hens and chickens 27.5%.

Cropland acreage totaled about 3.8 million acres, the largest acreage of the 14 regions. The region is the province's largest producer of barley, accounting for 21.5% of Alberta's barley acreage, and of alfalfa, mixed grains, and fruits and berries. It is also one of the top three regions for canola (15.5% of Alberta's acreage), hay and spring wheat.

Very few current agricultural indicators are available for these special geographies. However, livestock estimates are available for Census Divisions 8 (CD8) and 9 (CD9), which encompass most of the Central Alberta region[1]. Between mid-year 2006 and mid-year 2011, the number of cattle and calves in CDs 8 and 9 declined by 29% and the number of hogs by 37%.





Source: Statistics Canada and AARD

In crop year 2009-10[2], grain and oilseed deliveries at elevators in the Central Alberta region totaled about 1.35 million tonnes[3], down 33% from 2008-09. Wheat (excluding durum) accounted for 49% of the total tonnage, followed by canola (37%) and barley (11%).

Prices for canola and feed grain more than doubled between early 2006 and the summer of 2008, but fell sharply by about 40% through early 2009. Crop prices rebounded strongly between spring 2010 and summer 2011, but recent global uncertainties have led to modest price declines during the past few months. Prices for red spring wheat fell sharply in August and September, but recovered some of their losses in October 2011. The recent weakening of the Canadian dollar against the US dollar will benefit Alberta crop and cattle growers.

In 2011, Alberta crop production was significantly higher than in the previous year, with record harvests of canola (4.8 million tonnes) and spring wheat (7.6 million tonnes). Crop conditions in the Central Alberta region were also better than normal that year.

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[1] A map of Agricultural Census Divisions can be found in: http://www.statcan.gc.ca/ca-ra2006/m/car-rar-eng.pdf

[2] Year ending August 31, 2010

[3] Deliveries at grain elevators are not representative of production as not all grain is shipped to local elevators

Energy

Oil and gas production in the Central region has fallen over the last five years, with gas production declining by 3.5% between 2004 and 2009, and oil production by 23.8% over the same period. Between 2008 and 2009, gas production declined by 5.6% while oil production fell by 5.3%.

Central's share of overall Alberta gas production was 22.2% in 2009, making it the 2nd largest producer out of 14 regions. Average annual gas prices dropped by 53.3% in 2009 to $3.65 per gigajoule. So far in 2010, gas prices have averaged $3.73, a slight increase from 2009, and low by historical standards.

The Central region is the 4th largest conventional oil producing region in Alberta and the 7th largest overall oil producer (combining conventional and oil-sands). The region's share of Alberta's conventional oil production was 11.9% in 2009, but its share of total crude oil output was only 2.8%. Oil prices dropped by 38.0% to US$61.80 per barrel in 2009. However, so far in 2010 oil prices have averaged $78.96, an increase of 27.8%.

Over the last five years, the number of spudded wells[16] in the region has dropped 57.5%. Between 2008 and 2009, the spud count dropped by 51.9% to 1189 wells, accounting for 16.4% of the Alberta total. Part of the decline can be attributed to a weak global economy and soft energy prices. However, in the first 10 months of 2010, the number of wells drilled in Alberta rose 44% from the same period of 2009, largely because of a more than doubling in the number of conventional oil wells. The Petroleum Services Association of Canada is forecasting an increase of 5% in 2011 over 2010 for Alberta drilling. These drilling estimates and forecasts should provide some optimism for oil producers in Central.

Economic Indicators: Central Region

Oil and Gas Statistics

	2009	2008	2004	% Change 1 Year	% Change 5 Years
Crude oil production (millions of cubic metres)	3.2	3.4	4.2	-5.29%	-23.78%
Natural gas production (billions of cubic metres)	30.8	32.7	32.0	-5.59%	-3.49%
Number of wells spudded	1189	2474	2795	-51.94%	-57.46%

Source: Alberta Energy

The region's total gas potential represents 13.2% of Alberta's overall reserves, and oil potential is 17.2% of Alberta's conventional reserves.

[16] A spud is the very beginning of a drilling operation for a well

Forestry

Although there is a limited amount of logging going on in the Central Alberta region (in the eastern parts of the region), the region did account for 5.7% of all the wood fiber processed in the province. As a result, one of the region's largest manufacturing sector is wood products (mainly lumber).

Of the 1.2 million cubic metres of logs consumed by these two manufacturing sectors in the Central Alberta region in 2009, 88% was used to produce lumber and 12% to produce panelboard. Lumber production fell by 6% between 2005 and 2009 and panelboard production by 52%.

In 2009, forestry accounted for an estimated 7,000 jobs (direct plus indirect and induced jobs) in the region, down from 9,500 jobs in 2005. About 3,000 of these jobs are direct jobs (processing jobs), a decline of one-third from 2005.

Over the past four years, the value of shipments by Alberta's wood products sector fell by one-half, mainly because of the precipitous decline of the U.S. housing market. Between the first quarter of 2006 and the first quarter of 2009, U.S. housing starts fell from more than two million starts (on an annual basis) to fewer than 600,000 starts. During the past 18 months starts have remained in the 500,000 to 600,000 range. Canadian housing starts fell by one-half between mid-2008 and mid-2009, but have recovered most of their losses since then. Alberta housing starts also peaked in 2006, and fell by more than one-half between 2006 and 2009. Since then they have recovered strongly, but are not expected to return to 2006 levels over the near future.

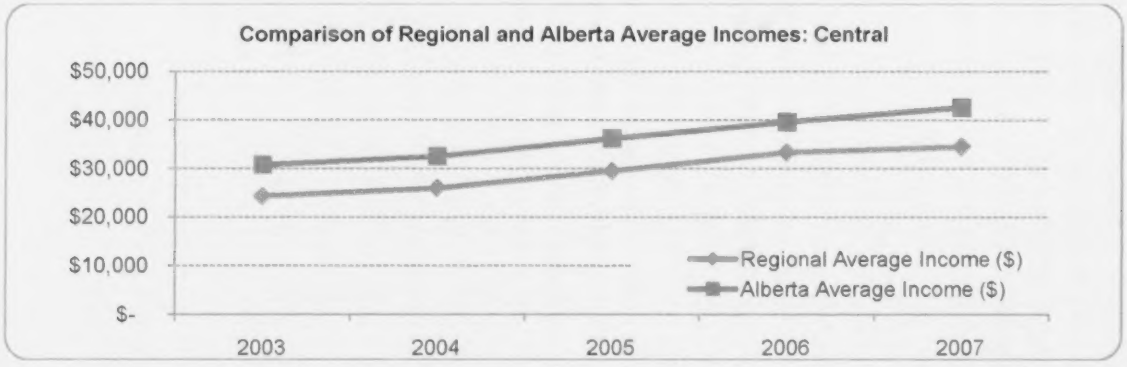
The value of shipments by the Central Alberta region's wood products sector totaled about $700 million in 2009, a 21% decrease from 2005.

The global economic and U.S. housing crises have had a profound impact on forest product prices. Prices for lumber had dropped by more than one-half between early 2006 and the early of 2009. However, these prices have increased sharply by about one-third since then.

Income, Taxfiler

In 2007, the average individual income in the Central Region was $34,470, a 3.2% increase from 2006, but 19% less than the provincial average of $42,570 in 2007. In the same year, average couple income[22] in the Central Region was $104,250, a 5.5% increase from the year before, but 16.9% less than the provincial average of $125,485 in 2007.

The percentage of taxfilers that reported an individual gross income over $100,000 was 5.6%, while 36.1% of taxfilers identified as couples reported an income of over $100,000.



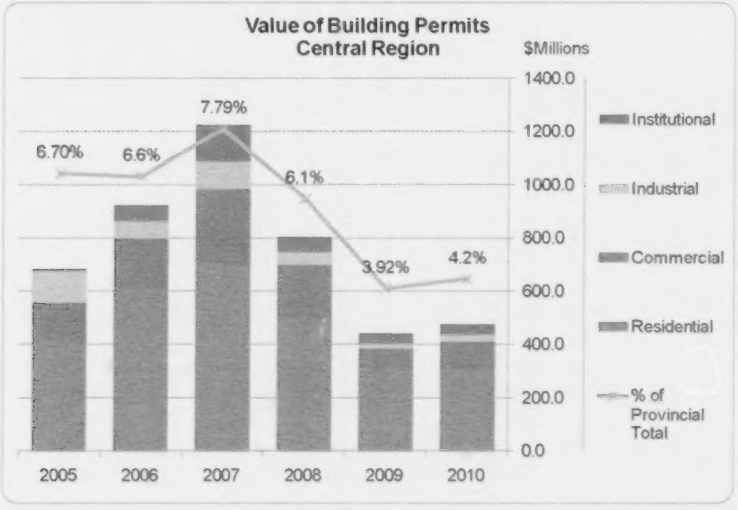
Economic Indicators: Central Region						
	Single Taxfilers			Couple Taxfilers		
	2007	2006	2003	2007	2006	2003
Average Income ($)						
Central	$34,470	$33,305	$24,350	$104,250	$98,815	$71,230
% Change 1 Year	3.5%			5.5%		
% Change 4 Year	41.6%			46.4%		
Alberta	$42,570	$39,560	$30,770	$125,485	$115,965	$87,775
% Change 1 Year	7.6%			8.2%		
% Change 4 Year	38.3%			43.0%		
Income Range						
0 or Negative	21.8%	21.7%	22.0%	0.4%	0.4%	0.8%
$1-$20,000	27.4%	28.8%	34.5%	5.4%	5.7%	8.8%
$20,000-$40,000	19.6%	19.8%	20.9%	13.3%	14.8%	20.7%
$40,000-$60,000	12.8%	12.5%	11.3%	14.3%	16.0%	20.1%
$60,000-$80,000	8.3%	8.0%	6.2%	15.6%	16.2%	18.1%
$80,000-$100,000	4.4%	4.0%	2.6%	14.8%	14.4%	12.7%
Over $100,000	5.6%	5.2%	2.5%	36.1%	32.5%	18.9%
Source: Alberta Finance and Enterprise						

[22] Couples are defined as married or common-law

Investment

In 2010, the total building permit value for the Central region stood at $474.7 million, making up 4.2% of the provincial total. In 2010, the total building permit value for the Central region increased by 7% from 2009, but was 31% lower than the 2005 level. The increase between 2009 and 2010 can be attributed to a large increase in industrial permits of 66% to $28.0 million and a 39% rise in commercial permits to $103.0 million. Over the same period, residential permits decreased by 1% to $308.4 million, while institutional permits were lower by 10%. Between 2005 and 2010, residential permits decreased by 26%.

The total number of dwelling units for which building permits were taken out in the Central region in 2010 was 1,521. This was a 5% drop from the previous year and a 52% decrease from 2005 levels. Over that five-year period, the number of multiple family dwelling units fell by 65% to 308 units in 2010. Over the same period, the number of single dwellings decreased by 47% to 1,213 units.



In 2010, the number of urban housing starts[23] (in areas with a population of at least 10,000) totaled 1,025 in the Central region[24], an increase of 10% from 2009's 928 starts. This increase was mainly the result of a large 37% jump in the number of multiple-family units between 2009 and 2010 to 260 starts, while single detached starts rose 4% to 765.

[23] Housing start information is gathered by Canada Mortgage and Housing Commission field offices; building permit estimates are gathered by Statistics Canada from municipalities. A building permit generally precedes the actual start.
[24] The Central urban region includes Red Deer, Red Deer County, Mountain View County, Clearwater County, Wetaskiwin, Wetaskiwin County, Lacombe, Lacombe County and Sylvan Lake.

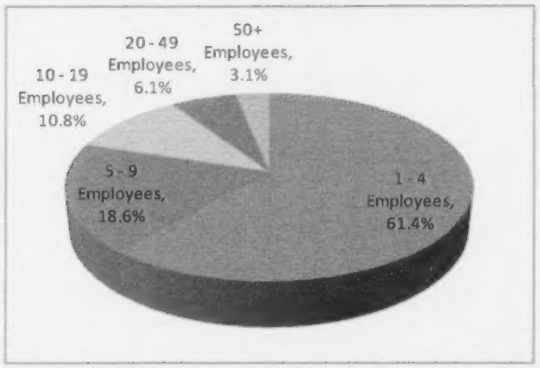
Economic Indicators: Central Region								
Building Permits: Value ($ Millions)								
	2010	**2009**	**2008**	**2007**	**2006**	**2005**	**% Change 1 Year**	**% Change 5 Years**
Total	474.7	441.9	801.7	1,224.8	920.8	685.1	7.4%	-30.7%
% of Provincial Total	4.2%	3.9%	6.1%	7.8%	6.6%	6.7%	6.1%	-38.0%
Commercial	103.0	74.3	205.1	279.0	192.9	139.9	38.6%	-26.4%
Industrial	28.0	16.9	49.3	104.4	62.7	117.8	66.1%	-76.2%
Institutional	35.3	39.3	52.0	134.9	56.9	10.6	-10.1%	233.0%
Residential	308.4	311.4	495.3	706.5	608.3	416.8	-1.0%	-26.0%
Building Permits: Number of Dwelling Units								
	2010	**2009**	**2008**	**2007**	**2006**	**2005**		
Total	1521	1594	2503	3,786	4,067	3,155	-4.6%	-51.8%
% of Provincial Total	5.8%	7.2%	8.9%	8.1%	8.1%	7.3%	-19.2%	-20.8%
Single Dwellings	1213	1134	1728	2,942	3,031	2,270	7.0%	-46.6%
Multiple Use Dwellings	308	460	775	844	1,036	885	-33.0%	-65.2%
Source: Statistics Canada, Compilations by Alberta Finance and Enterprise								

Establishments with Employees

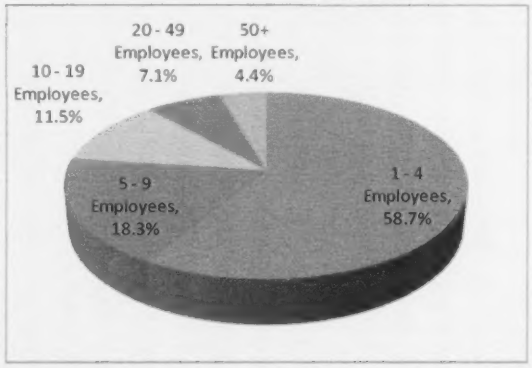
In 2010, the Central Alberta Region had 13,201 establishments with employees, making up 9.0% of all establishments with employees in Alberta. Of these establishments, 12,787 or 96.9% were small companies with between 1 and 49 employees. Micro-businesses with fewer than five employees have a 61.4% share of the region's total number of companies and large companies with 50 or more employees have a 3.1% share, compared to the 4.4% Alberta average.

Number of Establishments by Employee Size in 2010: Central Alberta Region and Alberta

Central



Alberta



Between 2005 and 2010, there was an increase of 4.9% (or 619) in the total number of businesses in the Central Region and a 5.8% increase (or 696 companies) in the number of small businesses. By comparison, at the provincial level, the total number of businesses increased by 2.3% and small companies experienced an increase of 3.4% over the same period.

In the Central Region, 67.2% of companies with employees were involved in Service Industries as of 2010. Total growth in the number of service industries was 3.4% over the past five years, while total growth in the goods industries was higher at 8.1% over the same period.

The largest industry in the region, comprising 15.1% of business establishments with employees in 2010, was Utilities and Construction, which is dominated by the construction sector. By comparison, 13.8% of establishments with employees at the provincial level are in the Utilities and Construction sectors. Construction companies account for 98.5% of the Utilities and Construction industry in this region.

The industry with the largest small business share in 2010 was Agriculture and Forestry: 99.4% of all businesses in this sector have fewer than 50 employees.

Over the past five years, the Utilities and Construction industry also experienced the highest growth in the number of businesses, up 16.6% between 2005 and 2010. Other industries with strong growth over the past five years include Mining and Oil and Gas Extraction (up 13.8%), Health Care & Social Assistance (up 12%), and Information, Culture, Recreation and Arts (up 11.8%). The Finance, Insurance, Real Estate and Leasing sector saw a 7.1% decline in the number of establishments over the same period.

The Central Region accounted for 18% of the number of establishments in Alberta's Agriculture and Forestry industry, and had a 14% share for the Mining and Oil and Gas Extraction sector. The agricultural sector accounted for more than 95% of the region's total number of establishments in the Agriculture and Forestry industry.

Numbers of Establishments by Industry
Central Alberta Region

	All Companies (1+ Employees)				Small Companies (1-49 Employees)			
	2005	2009	2010	5-Year % Change	2005	2009	2010	5-Year % Change
Total, All Industries	**12,582**	**13,514**	**13,201**	**4.9%**	**12,091**	**13,081**	**12,787**	**5.8%**
Total, Goods Industries	**4,008**	**4,418**	**4,334**	**8.1%**	**3,843**	**4,264**	**4,192**	**9.1%**
Agriculture & Forestry	1,104	1,036	1,061	-3.9%	1,098	1,032	1,055	-3.9%
Mining, Oil & Gas Extraction	748	907	851	13.8%	705	859	807	14.5%
Utilities & Construction	1,707	2,010	1,991	16.6%	1,638	1,954	1,937	18.3%
Manufacturing	449	465	431	-4.0%	402	419	393	-2.2%
Total, Service Industries	**8,574**	**9,096**	**8,867**	**3.4%**	**8,248**	**8,817**	**8,595**	**4.2%**
Wholesale Trade	518	551	549	6.0%	497	536	536	7.8%
Retail Trade	1,317	1,417	1,401	6.4%	1,246	1,350	1,334	7.1%
Transportation & Warehousing	688	734	679	-1.3%	673	725	670	-0.4%
Information, Culture, Recreation & Arts	262	293	293	11.8%	246	278	278	13.0%
Finance, Insurance, Real Estate & Leasing	814	771	756	-7.1%	771	763	745	-3.4%
Professional, Scientific & Technical Services	1,528	1,571	1,511	-1.1%	1,512	1,561	1,501	-0.7%
Administrative & Waste Management Services & Management of Companies	607	708	670	10.4%	591	696	660	11.7%
Educational Services	101	100	102	1.0%	87	86	88	1.1%
Health Care & Social Assistance	749	826	839	12.0%	703	777	793	12.8%
Accommodation & Food Services	668	666	664	-0.6%	630	628	631	0.2%
Other Services Excluding Private Household Services*	1,256	1,389	1,336	6.4%	1,246	1,370	1,317	5.7%
Public Administration	66	70	67	1.5%	46	47	42	-8.7%

Source: Canadian Business Patterns, Statistics Canada

* A new subsector, Private Households (hiring cooks, nannies, etc.) was created in 2006, thereby inflating the 2006 to 2010 estimates for the sector and the region as compared to previous years. Hence, to make the data comparable, the values shown for the "Other Services Excluding Private Household" industry has been adjusted and does not include the Private Households sector data.

Inventory of Major Projects

As of March 31, 2011, there were 89 projects, which were proposed, planned, under construction or recently completed in the Central region. One half of the projects in the region (44 of 89) are either Infrastructure or Institutional.

The total value for the projects in the Central region was $2.6 billion, as of March 31, 2010. About 27% of the total value of the Region's projects is attributable to power projects, and Infrastructure projects account for an additional 21%.

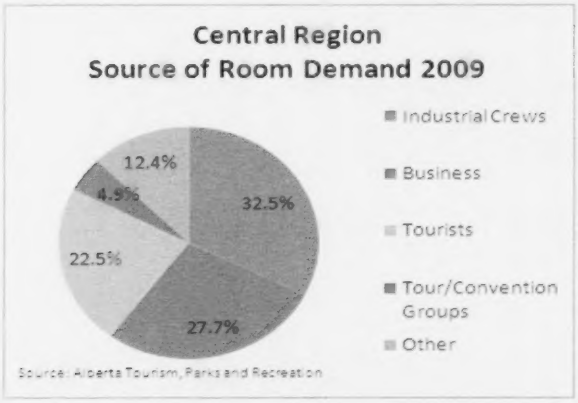
The Central region accounts for 1.4% of the total value of major construction projects in Alberta. As of the end of March, there were eight Central region projects totaling $280.0 million that were on hold.

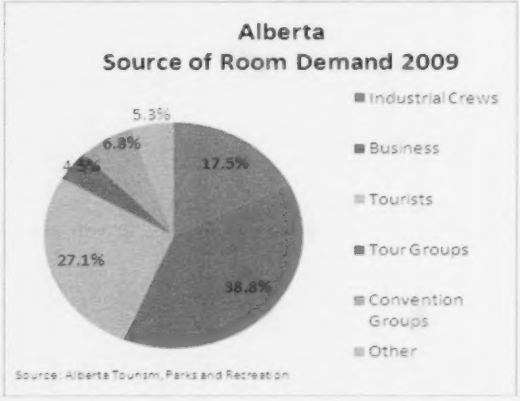
Economic Indicators: Central Region				
Major Construction Projects, as of March 31				
Industry Sector	**Number of Projects**		**Value ($millions)**	
	2011	**2010**	**2011**	**2010**
Agriculture and Related	2	2	$43.5	$43.8
Biofuels	1	2	$190.0	$117.0
Commercial/Retail	4	5	$115.0	$156.4
Commercial/Retail and Residential	2	1	$36.0	$35.0
Forestry & Related	1	0	$13.0	$0.0
Infrastructure	26	31	$537.3	$670.7
Institutional	18	22	$415.4	$495.8
Manufacturing	3	4	$30.0	$37.5
Oil & Gas	1	0	$100.0	$0.0
Pipelines	6	2	$115.0	$45.0
Power	4	6	$699.0	$1,243.0
Residential	10	8	$196.0	$150.3
Tourism/Recreation	11	12	$118.5	$154.3
Total	**89**	**95**	**$2,608.7**	**$3,621.8**
% of Provincial Total	**10.6%**	**10.3%**	**1.4%**	**1.6%**
Source: Alberta Finance and Enterprise, Inventory of Major Alberta Projects				

Note: 2009 and 2010 cannot be compared because some projects are carried over several years and there is only one cost available for the entire project.

Accommodation & Hospitality

In 2009 the Central Region had 84 accommodation properties with a total of 4,529 rooms; thus making up a 7.1% share of rooms available in Alberta. At 32.5% of room demand the largest market segment was industrial crews, followed by business travellers at 27.7%. The average occupancy rate in the region was 46.9%, compared to the provincial average of 58.6%. The average room rate was $89.60, which was 20.1% lower than the provincial average of $112.19.





Economic Indicators: Central Region		
Accommodation Statistics	**2008**	**2009**
Central		
Number of Properties	81	84
Supply of Rooms	4,423	4,529
Share of Alberta Rooms	7.1%	7.1%
Average Number of Rooms/Property	54.6	53.9
Occupancy Rate	58.2%	46.9%
Average Room Rate	$92.53	$89.60
Alberta		
Average Number of Rooms/Property	82.5	82.0
Occupancy Rate	68.2%	58.6%
Average Room Rate	$113.54	$112.19
Source: Alberta Tourism, Parks and Recreation		

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- Alberta Oil Sands Industry Quarterly Update
- Facts on Alberta
- Highlights of the Alberta Economy
- Inventory of Major Alberta Projects
- Monthly Economic Review
- Alberta Natural Gas Industry Quarterly Update